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**UNITED STATES BANKRUPTCY COURT
SOUTHERN DISTRICT OF NEW YORK**

In re

SEARS HOLDINGS CORPORATION, *et al.*,¹

Debtors.

Chapter 11

Case No. 18-23538 (RDD)
(Jointly Administered)

**OBJECTION AND RESERVATION OF RIGHTS OF RETAIL OPPORTUNITY
INVESTMENTS CORP. TO NOTICE OF CURE COSTS AND POTENTIAL
ASSUMPTION AND ASSIGNMENT OF EXECUTORY CONTRACTS AND
UNEXPIRED LEASE IN CONNECTION WITH GLOBAL SALE TRANSACTION**

Retail Opportunity Investments Corp. (“ROIC”) hereby files this objection (the “Objection”) to the *Supplemental Notice of Cure Costs and Potential Assumption and Assignment of Executory Contracts and Unexpired Leases in Connection with Global Sale*

¹ The Debtors in these chapter 11 cases, along with the last four digits of each Debtor’s federal tax identification number, are as follows: Sears Holdings Corporation (0798); Kmart Holding Corporation (3116); Kmart Operations LLC (6546); Sears Operations LLC (4331); Sears, Roebuck and Co. (0680); ServiceLive Inc. (6774); A&E Factory Service, LLC (6695); A&E Home Delivery, LLC (0205); A&E Lawn & Garden, LLC (5028); A&E Signature Service, LLC (0204); FBA Holdings Inc. (6537); Innovel Solutions, Inc. (7180); Kmart Corporation (9500); MaxServ, Inc. (7626); Private Brands, Ltd. (4022); Sears Development Co. (6028); Sears Holdings Management Corporation (2148); Sears Home & Business Franchises, Inc. (6742); Sears Home Improvement Products, Inc. (8591); Sears Insurance Services, L.L.C. (7182); Sears Procurement Services, Inc. (2859); Sears Protection Company (1250); Sears Protection Company (PR) Inc. (4861); Sears Roebuck Acceptance Corp. (0535); Sears, Roebuck de Puerto Rico, Inc. (3626); SYW Relay LLC (1870); Wally Labs LLC (None); Big Beaver of Florida Development, LLC (None); California Builder Appliances, Inc. (6327); Florida Builder Appliances, Inc. (9133); KBL Holding Inc. (1295); KLC, Inc. (0839); Kmart of Michigan, Inc. (1696); Kmart of Washington LLC (8898); Kmart Stores of Illinois LLC (8897); Kmart Stores of Texas LLC (8915); MyGofer LLC (5531); Sears Brands Business Unit Corporation (4658); Sears Holdings Publishing Company, LLC. (5554); Sears Protection Company (Florida), L.L.C. (4239); SHC Desert Springs, LLC (None); SOE, Inc. (9616); StarWest, LLC (5379); STI Merchandising, Inc. (0188); Troy Coolidge No. 13, LLC (None); BlueLight.com, Inc. (7034); Sears Brands, L.L.C. (4664); Sears Buying Services, Inc. (6533); Kmart.com LLC (9022); and Sears Brands Management Corporation (5365). The location of the Debtors’ corporate headquarters is 3333 Beverly Road, Hoffman Estates, Illinois 60179.

Transaction [D.I. 1774] (the “**Cure Notice**”). In support of the Objection, ROIC respectfully represents as follows:

BACKGROUND

1. On October 15, 2018 (the “**Petition Date**”), Sears Holding Corporation and its debtor affiliates, as debtors and debtors in possession in the above-captioned Chapter 11 cases (collectively, the “**Debtors**”) filed voluntary petitions for relief under Chapter 11 of Title 11 of the United States Code (the “**Bankruptcy Code**”) in the United States Bankruptcy Court for the Southern District of New York (the “**Bankruptcy Court**”).

2. On November 19, 2018, the Bankruptcy Court entered an Order Approving Global Bidding Procedures and Granting Related Relief [D.I. 816] (the “**Global Bidding Procedures Order**”) approving the global bidding and sale procedures in connection with the sale or disposition of substantially all of the Debtors’ assets, among other relief.

3. The Debtors and ROIC Pinole Vista, LLC (“**Landlord**” and, together with the Debtors, the “**Parties**”), were parties to that certain lease for Store No. 3531 (the “**Lease**”) for the property located at 1500 Fitzgerald Drive, Pinole, CA (the “**Property**”). Pursuant to that certain Termination Agreement entered into on August 23, 2018 (the “**Termination Agreement**”), the Parties agreed to terminate the Lease effective December 31, 2018. Indeed, the Debtors abandoned the Property by mid-December 2018 and ROIC has retaken possession.

4. Notwithstanding, the Debtors identified the Lease as a potentially assumable lease in their Cure Notice, although the Notice erroneously identified Retail Opportunity Investments Corporation as the counter-party to the Lease, notwithstanding the Lease and Termination Agreement. Nevertheless, as the Lease has already terminated (as acknowledged in the Notice via the “Expiration Date”), ROIC files this objection and reservation of rights (the “**Objection**”)

solely out of an abundance of caution, and to reiterate the terminated Lease can be neither assumed nor cured.

RESERVATION OF RIGHTS

5. The Landlord reserves the right to amend and/or supplement this Objection, including, without limitation, to add or supplement objections to the Debtors' proposed cure amounts, including any future or supplemental cure notices, increase the Landlord cure amount, and to raise any additional objections to the potential assumption or assumption and assignment of the Lease.

JOINDER IN OBJECTIONS OF SIMILARLY SITUATED PARTIES

6. To the extent not inconsistent with this Objection, the Landlord joins in the objections of other landlords and contract counterparties to the Debtors' proposed global sale transaction, assumption or assumption and assignment of leases.

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Dated: January 31, 2019
New York, New York

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